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**James A. Carder**  
Director  
Division of Accounting

## **MEMORANDUM**

**TO:** State Agencies  
**FROM:** OA/Division of Accounting  
**DATE:** June 2, 2003  
**RE:** Receivable Write-Offs

As documented in the SAM II Financial Fiscal Year End Accounting Procedures dated March 12, 2003, OA/Division of Accounting has loaded receivables into the Potential Uncollectible Receivable (PUNR) table as part of the fiscal year end (FYE) activities. Detailed receivables that are 180 days past due or greater have been added to this table. Agencies must review their entries on the PUNR table to determine if the receivable is uncollectible and should be written-off. This procedure does not apply to summary receivables.

State of Missouri accounts receivable policy requires that a receivable shall automatically be considered uncollectible if one or more of the following conditions are met:

- The receivable has been discharged in bankruptcy. A copy of the discharge notice from the bankruptcy court should be filed with the request for write-off.
- The debtor has died without sufficient assets to pay the State. A statement that claims no estate has been opened or the estate's assets are insufficient to pay the claim of the State should be filed with the request for write-off.
- The debtor is a corporation that has been dissolved and has no assets to pay the State. Supporting documentation of this should be filed with the request for write-off.

If the criteria above does not apply, a receivable is considered uncollectible and shall be written-off when the following conditions are met and agreed upon by the agency and OA/Division of Accounting:

- If an agency and OA/Division of Accounting determine the receivable is uncollectible.
- The cost of any future collection efforts exceeds the amount of the receivable.

**Policies:**

1. The agencies are responsible for reviewing their receivables for write-off and entering a "S" in the Write-Off Indicator field.
2. The agency must send supporting documentation for the write-off transaction on the same day they set the Write-Off Indicator field to "S" to OA/Central Accounting Supervisor.
3. Agencies must have their receivables scheduled for write-off and supporting documentation sent by June 19, 2003.
4. Write-Off (WO) documents will be automatically generated by the system after the nightly cycle of June 20, 2003.
5. OA/Division of Accounting will review and approve/not approve all generated WO documents based on supporting documentation received from the agencies.

If after your review of the entries on the PUNR table you decide to write-off a receivable document(s), follow the instructions below:

1. On the Navigator window in SAM II Financial type PUNR in the Code field and click "Open".
2. Type the receivable document number in the "Receivable Number" field and click "Browse".
3. Enter "S" in the Write-Off Indicator field.
4. Select "Modify" "Change".
5. Repeat Steps 2 through 4 for each receivable document that you want to write-off.

Please refer to the Accounts Receivable/External Receivables/Write-Offs sections of the SAM II Policies and Procedures Manual for additional information. Please contact your Agency Customer Service Coordinator for assistance. Your Agency Customer Service Coordinator will contact OA/Division of Accounting Agency Customer Service Coordinator's Desk if necessary.